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Jap List Vead

27 December 1955

## MEMORADUM OF CONVERSATION

Subject: Telephone Discussion with Ch/C re D/E Support Activities Week of 27 Dec 55

- 1. Ch/C approved the recommendation of acting Ch D/E that during the latter's absence this week, be named Acting Deputy 25X1A9a Ch D/E.
- 2. Ch/C advised that he had notified Ch/E on 23 December of the D/E paper on \_\_\_\_\_\_\_ for Deletion from CHINCOM controls (Project 111.119). Ch/C said that his initial impression was rather favorable; Acting Ch D/E stressed that D/E was trying to reflect ERA intelligence and was not trying to present a product which would cause serious differences between ERA and ourselves.

Ch D/E advised that we were standing by to assist in the coordination process with Ch/E and Ch/C.

3. Ch/C advised that at the NSC meeting of last week the plan appeared to be to try to save something from the differential although undoubtedly the differential list would be shortened.

This made the "key category" concept more timely. Thus, while Ch/C was willing to leave aside at the present the "comparative cost" thinking, he desired D/E to provide him with our thoughts on "key category". I said that we would give him a DJ draft and a SMB/NCF draft this morning. Ch/C asked that DJ carry this down to discuss with him.

Ch/C also requested return of his cognizant.)

4. Ch/C gave no more info re his appointment to the high level ad hoc group reviewing the China problem, but said that "things are moving very fast" and we must have some tentative decisions by 30 December. This is preliminary to Eden meeting. Ch D/E offered our services in support of Ch/C for this ad hoc group's work.

5. Ch/C asked if covered the whole differential list. I replied that by and large it did. Ch/C wants Vlad to make a preliminary analysis of other commodities which should be on a new differential. Also wants us to bear in mind the COCOM review and fact may be necessary to raise some items on COCOM list. Specifically look at IL/II and have prepared annotated copy of present paper or a separate paper.

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6. Ch D/E reminded Ch/C that a reply to than a dozen items to be considered urgently was still pending. Ch/C asked us to prepare a summary paper evaluating these items separately. 25X1A9a

7. Ch/C advised he intended to release today the draft of the Impact Paper. Said that no further D/E work was required. In D/E advised we intended to submit for the record statement of our views on this general subject (as related to last week's briefing paper for DCI and as related to the draft of Impact 25X1A9a Paper). Called special attention to fact that we were dispassionate in this and simply wanted to go on record to him of our views.

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